

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5385

ANSWERED ON:29.04.2005

VIOLATION OF GUIDELINES OF RBI/ GOVERNMENT

Barman Shri Hiten;Baxla Shri Joachim;Chavda Shri Harisinh Pratapsinh;Singh Deo Smt. Sangeeta Kumari

Will the Minister of FINANCE be pleased to state:

- (a) whether public sector banks and financial institutions are violating the guidelines of the Reserve Bank of India/Government in regard to its working;
- (b) if so, the names of the banks which have violated such guidelines and the nature of such violations during the last three years;
- (c) whether the Government has received any complaints/representations for violation of guidelines by public sector banks particularly Oriental Bank of Commerce;
- (d) if so, the details thereof;
- (e) whether the government has taken any action against the officers found responsible for such violations; and
- (f) if so the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR1 S.S. PALAN1MANICKAM):

(a) and (b) Both public sector banks and financial institutions are following the guidelines prescribed by Reserve Bank of India (RBI) and Government of India from time to time on different aspects of banking/financial dealings. There is a system in place in RBI, which regulates the functioning of these institutions. RBI regularly conducts Annual Financial Inspections to diagnose violation of guidelines or any kind of irregularities. RBI takes up these findings with the respective banks, if considered necessary for corrective action.

(c) and (d) No, Sir. However, Govt./RBI keeps on receiving complaints/representations on certain operational aspects of banking service provided by banks on a continued basis. These complaints are of general nature and they are taken up with concerned banks by RBI and Govt. for redressal etc.

(e) and (f) Do not arise.